











Starting a Business in Minneapolis A Practical Guide







Minneapolis Community Planning & Economic Development (CPED)

For more information: Call **311** or visit **www.ci.minneapolis.mn.us/CPED**

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Introduction

This guide is primarily for people planning to start small neighborhood-based businesses in Minneapolis. If you are thinking about starting a retail or service business or working in your home, this guide can provide a useful blueprint. But if you have a burning desire to be the next Bill Gates and create a multinational empire, you may want to look elsewhere for help.

The City of Minneapolis Department of Community Planning and Economic Development (CPED) hopes this guide will be particularly useful for new residents. Minneapolis has a wealth of resources to help new business owners, but finding those resources can be hard. This booklet, the first of its kind, provides information about technical assistance, financing, and local regulations in one easy-to-read publication.

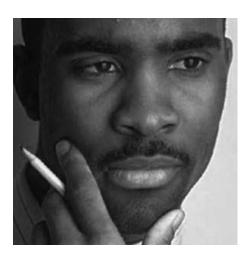
Based on its work with more than a thousand Minneapolis businesses over the past 10 years, CPED provides here some practical tips on starting a business, as well as a list of places you can go to for help. The appendices list useful websites and the text of city regulations that may directly affect your business.

This is a publication of the Business Finance Section of CPED. Because CPED is the development arm of the City of Minneapolis, much of the information contained here is specific to Minneapolis. But even if you live elsewhere in the Twin Cities metro area, this guide may be useful.

CPED would like feedback about the guide. Which features are most useful to you? Is there information you want that has not been included? Call us at 612-673-5072.

How to use this guide

As you read through this guide, you will find frequent references to local organizations that work with small businesses. The appendices contain information for each *italicized* organization named in this publication. Websites are cross-indexed.



1 Getting started

Self-employment: A realistic view

If owning your own business is still a dream, think long and hard about the impact this career move will have on you and your family. For many people the freedom and independence of self-employment outweigh the security of a regular paycheck. But even if you are your own boss, you must put food on the table and pay your rent or mortgage.

Many people see self-employment as a way to supplement their day jobs. That arrangement may work for people who don't expect to support themselves from their businesses. But for those who want to make a clean break, self-employment may entail financial sacrifice and major lifestyle changes.

Most new entrepreneurs find they must put in 60- to 80-hour weeks just to get a small business up and running. For the first year, breaking even or getting close to it may be a realistic goal. But the new business owner finds little or no cash left to cover daily living expenses.

If you expect to operate a new small business on a full-time basis, be sure you have enough personal reserves to support yourself for at least a year. Otherwise you may need to rely on a spouse or other family member to pay the rent and buy the groceries during the months before your business generates real profits.

The how and why of business plans

Most first-time business owners know they must prepare a business plan, particularly if they intend to seek financing. Because putting the words down on paper can be overwhelming, you may be tempted to go find someone else to write the plan.

You can get help in organizing your plan, but don't expect someone else to do the work for you. A business plan need not have elaborate charts and graphs or a fancy cover. But it must clearly describe your business. What goods or services will you provide? Who will buy them? How much will it cost to start the operation? How much revenue can you expect to take in during the first year? What expenses will there be? Will there be a profit or a loss at the end of the year?

For example, if you are planning a neighborhood grocery store, do other stores in the area provide the same products? Because chain stores can provide many commonly used products at low prices, you must be able to show why people will shop at your store and not at the chain.

Provide a summary of your skills, training, experience, and similar information about any partners who will help you run the business. If English is your second language, you can get help in writing down the plan from organizations listed at the end of this chapter. But you still must provide the content of the plan.

Forms of business organization

As you start making plans to open a new business, decide what form your business will take. The options listed below each have legal and tax consequences. Consult an attorney and an accountant before you choose one of the following forms:

• Sole proprietorship

If you plan to establish a one-person business, you will probably want to organize it as a sole proprietorship—at least in the beginning. This is the simplest form of business organization and the least expensive to establish. Chapter 4 provides an overview of the local, state, and federal requirements affecting sole proprietorship. As sole proprietor, you bear the full risk and responsibility for operating your business. You have full control, but you also are personally liable for debts incurred by the business. Any income you receive from the business is treated as personal income, which you must report when you file your state and federal income taxes.

Partnership

If you plan to share the responsibility for operating the business with another person, you may establish a partnership. A *general partnership* is much like a sole proprietorship. Each partner is fully responsible for the debts and obligations of the business. A *limited partnership* is a more complex form used by larger businesses. Under a limited partnership, a general partner operates the business and assumes liability. Limited partners may have a financial interest in the business, but they do not take on personal liability and do not get involved in its day-to-day operations.

Corporations

After your sole proprietorship has been up and running for a while, you may wish to convert it to a legal entity known as a corporation. Under this form, one or more individuals, or shareholders, own the business. You may be the sole shareholder, but you have the option of bringing in other investors to own a part of the business.

Corporations in Minneapolis must be formed according to the laws of the State of Minnesota. As a separate entity, each corporation is responsible for its debts and obligations. But the corporate form of business does not in itself shield the

owner from personal liability. As the major shareholder for your corporation, you may be required to provide a personal guarantee for debts incurred by your corporation.

The Internal Revenue Service recognizes two basic forms of corporations. An "S" corporation operates in some ways like a partnership. Shareholders must report income from the corporation on their personal tax returns. A "C" corporation is a separate entity that reports profits and expenses on a separate return and pays taxes at the corporate rate.

• Limited liability companies

This form of organization, often known simply as "LLC," combines some features of a corporation and some of a partnership. As with a corporation, the members or owners of an LLC have limited personal liability for the debt of the company, unless they have agreed to personally guarantee repayment of the company's debt. As with a partnership, the company's profits or losses flow through to the individual members of the LLC. Get professional advice in establishing corporations and limited liability companies.

Keeping on top of the numbers: The importance of record keeping

If you are like most entrepreneurs, you feel passionately about your business idea. You are convinced you will succeed. Setting up a record-keeping system may not be at the top of your list of things to do as you put together a plan and struggle to find the capital to start your business. But keeping good records may be the key to success.

Unless you maintain an accurate account of sales, expenses, and cash flow, the best idea in the world will not yield concrete results. Your accounting system provides the information to make solid, informed decisions about the operation of your business. It also provides the basis for income-tax and sales-tax reporting.

If you plan to hire employees, your business must maintain records meeting the requirements of the federal, state, and local agencies that levy taxes and regulate employer-employee relations. If you expect to have more than one or two employees, consider hiring a payroll service to maintain these records and see that your payroll taxes are paid on time.

You don't have to be a certified public accountant to operate a small business, but you should have a rudimentary understanding of accounting before you open the doors. Select one of these two basic accounting systems as you start your business:

1. Cash accounting

The *cash* system is the simpler option. It is used mainly by service businesses that do not maintain inventories or offer credit to their customers. In a cash system, you record the sale when you receive the cash, and you record the expense when you pay the bill. This system operates very much like your personal checkbook.

2. Accrual accounting

Under this system, you record income or expense when it is earned or incurred, rather than when it is collected or paid. The accrual system is used for businesses that extend credit to customers. If you extend credit, you will record sales and make deliveries before the customers pay you. The accrual system best reflects your true financial position and provides statements that are easy to compare from month to month.

Whichever system you use, you must also use these financial tools:

• Journals and general ledgers

The key to record keeping is the use of journals in which you record all the individual transactions of your business operation. These include every specific bit of information recorded on sales slips, cashregister tapes, check stubs, and purchase invoices. You may need individual journals for frequently occurring transactions such as sales and expenses. Enter the totals from the journals into a summary book, or general ledger. The general ledger is the financial heart of your business. It lists all the sales and expenses for a specific period of time. It also lists the assets (all the items your business owns) and the liabilities (all your business debts).

• Financial statements

You may wish to hand off the task of preparing financial statements to your bookkeeper or accountant. If you do, make sure you fully understand their reports so that you can use them as tools to manage your business. Most businesses need these basic forms of financial statements:

- Income- or profit-and-loss statements show sales, expenses, and profit or loss over a monthly, quarterly, or yearly period.
- Balance sheets provide a snapshot of the businesses assets, liabilities, and net worth at a specific point in time.
- Cash-flow statements track the flow of cash in and out of the business over a specified period.
 If you prepare your own financial statements, make sure they comply with standard accounting procedures.

• Computerized record keeping

Before computers, most small businesses maintained hand-written journals and ledgers. Today, computers can help you speed up the task of record keeping. Several low-cost computer programs are available to help you track the records you maintain on a continuing basis. The business-assistance organizations listed in Chapter 2 can help you select the software that best meets your accounting needs. Once you have selected a software system, work with a professional accountant to set up the system and learn how to use it.

Locating your business

If you plan to operate a retail or service business, you probably have discovered affordable neighborhood commercial space is at a premium in Minneapolis. Often, very small neighborhood commercial spaces are not listed in the data bases maintained by local commercial realtors. Sometimes the business association in your area may know about the availability of these small spaces even before they come on the market. You can get a listing of Minneapolis business associations by contacting

the Minneapolis CPED Business Finance Section (612-673-5072) or accessing the CPED website: www.ci. minneapolis.mn.us/cped.

If you plan to open a restaurant or coffee shop, your best bet is to find a space now or formerly occupied by a similar establishment. If you must start from scratch (add kitchen and serving facilities to the space for your food business), the costs of those improvements may exceed your budget. Ask around the neighborhood—current business owners may know of spaces to fit your needs. Word of mouth is still the best way to find what you need.

Unless you have a substantial amount of cash to inject into your business, as well as a steady source of outside income, financing the purchase of a commercial building for your business will not be easy. Most banks require a 25–30 percent down payment for a commercial real-estate loan. A better option is to lease the space you need, at least in the beginning.

If you are leasing a small neighborhood space, the landlord may quote you a flat monthly rate. But leases for commercial space are generally priced on a per-square-foot basis over a 12-month period. If you are considering a 3,000-square-foot space and the landlord proposes a rate of \$10 per square foot, you will be paying \$30,000 a year (3,000 x \$10) or \$2,500 per month.

Be sure you know whether you are obtaining a gross or a net lease. A gross lease means that all or most of the operating costs—including taxes, insurance, maintenance, heat, and air-conditioning—are included in the lease rate. A net lease (often called a

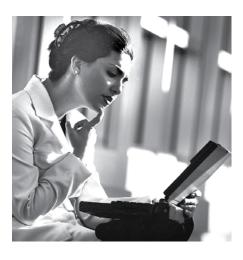
triple-net lease) means your business must pay those costs.

Smaller, less expensive spaces are often rented on a month-to-month basis, which means that the landlord can ask you to leave on a month's notice. A multiyear lease gives you more permanence and protection. Before you sign the lease, check with the Minneapolis Zoning Office to make sure the building is properly zoned for your business (see Chapter 4). Make sure your attorney reviews the lease before you sign it.

If you plan to start as a one-person operation, you may be able to operate your business most economically out of your home—particularly if you don't need daily face-to-face contact with customers or to maintain large inventory or equipment. Operating a home-based business means you won't have to pay rent. And you can claim limited tax benefits if you show that part of your home is used only for business.

The Minneapolis Zoning Code lets you work out of your home within certain limitations. You may not operate a motor-vehicle-repair business or a service that repairs internal-combustion engines such as snowmobiles and lawnmowers. If you operate a barber or beauty shop, you may serve only one client at a time. If your home-based business is open to the public, you may operate only between 8 a.m. and 8 p.m.

The zoning code provisions dealing with home-based businesses appear in Appendix 5 (Page 30).



2 Where to go for help

If you have never operated a business before, the prospect of putting all the pieces together can be overwhelming. But you don't have to do all the work by yourself. There are many resources available to make the job of starting a business easier, though finding them can be a challenge. This section tells you where you can find the help you need to get started.

Professional services

New owners often take full responsibility for all aspects of their business operations. Because their funds are limited, these owners believe that hiring professional services is a luxury they cannot afford.

Make room in your budget for legal and accounting advice. Given the complex regulatory processes facing even the simplest sole proprietorships in Minnesota, you will want to consult a lawyer before your business is up and running. To put your business on a firm financial footing, consult an accountant as well. Several of the organizations listed at the end of this chapter may be able to help you find reduced-price legal and accounting services.

Community resources

A broad range of community agencies provides technical assistance for new and aspiring business owners in Minneapolis. Most of these organizations provide business assistance services at little or no charge.

You can walk into certain of the following agencies to find a wealth of written and on-line information useful in starting and maintaining your business. Other listed nonprofit and communitybased organizations provide one-on-one technical assistance, half-day and evening workshops, and multiweek courses and training sessions on business development. Some of these organizations target their services to specialized populations and designated inner-city neighborhoods. Others provide services to all current and prospective business owners in Minneapolis. Most of them generally provide services at little or no cost. Current fees are listed for those agencies charging for services, but some fees are subject to change. Contact information for these organizations is listed in Appendix 1 (Page 23).

Walk-in information centers

Hennepin County Library

The library's business and economics department has an extensive collection of books, pamphlets, and magazines providing advice and information for start-up businesses. Topics range from general how-to business guides to more specialized publications dealing with franchising, importing/exporting, and buying or selling a business. Many of the resource guides do not circulate, which means that you can use them only at the library. But the business department librarians can help you find books that you may check out and take home. No fees.

Minnesota Business Planning Center (BPC)

This walk-in center, sponsored by the Minneapolis office of the *U.S. Small Business Administration (SBA)*, provides free on-site counseling, information, and technical assistance for local entrepreneurs. BPC is the place to find the latest in business plan software, database research capability, and business plan templates and reference materials. The BPC also has close links to *Minneapolis SCORE* Counselor's to America'a Small Business.

One-on-one technical assistance and business information workshops

MEDA Metropolitan Business Development Center (MBDC)

MBDC is operated by the *Metropolitan Economic Development Association (MEDA)*, a nonprofit organization serving businesses owned by people of ethnic minorities, including Hispanics, American Indians, Asian Americans, and African Americans. MBDC provides one-on-one services in areas such as business-plan development, financial planning, and loan packaging. MBDC also links its clients with other MEDA programs, including the MEDA loan program and the Minnesota Minority Supplier Development Council. Fees vary by project—normally \$10 per hour for consultations.

Metropolitan Consortium of Community Developers (MCCD)

MCCD is an association of nonprofit community development organizations in Minneapolis providing housing and economic development services. Eight MCCD member organizations provide direct technical assistance to neighborhood-based businesses. They include the *African Development Center*, the Latino

Economic Development Center, the Northeast Community Development Corporation, the Neighborhood Development Center, Northside Residents Redevelopment Council, Seward Redesign, and the Whittier Community Development Corporation. MCCD member organizations can also help prospective and current business owners access MCCD business-loan programs. No fees.

Minneapolis SCORE

SCORE® - Counselors to America's Small Business, is a source for small business advice and counseling. SCORE is a national organization established in 1964 and is a nonprofit association dedicated to entrepreneur education and the formation, growth and success of small business nationwide. Many volunteers provide individual counseling—in person and online—and business workshops for aspiring entrepreneurs and small business owners. SCORE is a resource partner with the U.S. Small Business Administration (SBA). The local Minneapolis chapter of SCORE is staffed with over 100 volunteers who offer free counseling and low-cost workshops on a variety of business topics. SCORE's schedule of workshops and registration for free counseling can be found at their website:

www.scorempls.org.

WomenVenture

The mission of WomenVenture is to help women secure economic success. But this Saint Paulbased nonprofit organization offers business development services for men as well as women. WomenVenture sponsors regular seminars about going into business and offers free one-on-one consultations to those who attend. The organization also offers a broad range of classes covering topics such as financial management, marketing, business, and home-based businesses.

Multiweek business courses

FastTrac

The *University of St. Thomas Center for*Entrepreneurship sponsors two multiweek training programs aimed at helping potential and current entrepreneurs create and develop successful business ventures. FastTrac I is a nine-week course designed for people intending to start businesses. Participants identify business opportunities and complete feasibility plans for start-up ventures. FastTrac II is an 11-week course for people wanting to more fully develop existing businesses. Fees are currently \$375 for FastTrac I and \$595 for FastTrac II.

NDC Neighborhood Entrepreneurship Training

This neighborhood-based program is operated by the nonprofit Neighborhood Development Center (NDC). NDC partners with communitybased organizations in Minneapolis target neighborhoods to offer a 16-week business development course twice a year in the spring and fall. Participants who complete the training course prepare a written business plan and may access NDC's loan programs and technical assistance. The course fee is on a sliding scale from \$75 to \$600 based on family income and family size. People who are not target-area residents may participate in the course for the full \$600 fee. Participants who do not live or own businesses in the target neighborhoods, however, will not be eligible for NDC's loans or technical assistance.



3 Finding the money

Challenges for start-ups

If you are just starting to set up your business, money is probably at the top of your list of concerns. Assembling start-up capital is always a challenge—particularly if you can't rely on a substantial personal bank account.

New business owners are usually told to go to "FFAN"—friends, family, and neighbors—to find the start-up funds they need. But that is easier said than done.

You must realistically assess your capital needs as part of your business plan. Most new business owners expect to get start-up funds by borrowing from a local bank. But start-ups are likely to run into the "catch 22" that faces most business owners. The lender wants you to demonstrate your ability to repay. But until you have accounts, orders, and sales, you can't make a convincing case that you can repay the loan. When the lender talks to you about repaying the loan, you will probably say to yourself, "But that's why I am here. I need the money so I can generate those accounts, orders, and sales."

New business owners often think they can find the capital they need by taking on debt, when what they really need is equity. Equity refers to the assets—usually in the form of cash—that an owner brings to the business. Often (but not always), equity does not have to be repaid—at least not right away. If you receive a no-interest loan from a family member who says that he or she can wait to be repaid until the business is up and running, that loan usually is considered equity. Family members and friends may help you find the equity you need, but in the end

you must rely on your own resources. If you plan to start a business, save as much as you can until you accumulate the equity you need to cover start-up costs. That may take substantial planning, patience, and self-discipline.

With a start-up business, you may have to provide equity equal to 25 percent or more of your start-up costs. Lenders usually establish equity requirements based on their assessment of the risk of your business. In assessing that risk, the lenders will consider your business experience and the success rate of businesses in your field. If you plan to start a restaurant or a coffee shop, you are likely to get a high risk rating from your lender, and that means higher equity requirements.

A banker is more likely to lend you at least part of the money you need for financing a piece of equipment (like a printing press or a commercial stove) that has collateral value. If you are unable to repay the loan, the lender will be able to take back the equipment and recoup at least part of the loan. Getting a loan for working capital—cash needed to cover general business operations—is more difficult.

If you don't have a substantial amount of equity to offset start-up costs, the lender probably will ask you to pledge your home as collateral—if you own one that is not fully mortgaged. The lender may also ask you to find a family member, friend, or business associate with substantial personal assets who will cosign or guarantee your loan. You will get a loan more easily if you have a spouse or a partner with a regular income. If you have formed a corporation or a partnership, be prepared to personally guarantee any business loan you receive from a local lender.

Many new business owners are tempted to use credit cards to provide start-up capital, because credit cards generate quick cash without a lot of red tape. The downside of credit cards, of course, is their high rate of interest. In the long run, too much reliance on credit cards means your business will carry a heavy debt load.

Though it may involve more effort, you may be better off working with a local bank or a community loan fund. There you can deal with a loan officer who will give advice as well as money. In the long run, it's best to establish a good working relationship with a lender who can meet your credit needs as your business continues to grow.

If you have little cash, no prospects for a guarantor, and no personal assets to pledge as collateral, seek a community loan program from those listed on Pages 18-19. One of these programs may be able to help you get a small (micro) loan, generally under \$15,000.

Working with a business banker

If you are applying for your first business loan, be prepared to do some homework after your first meeting at the bank. The bank's loan officer will want to assess your business skills and learn as much as possible about your current financial situation. You'll have to provide a copy of your business plan and the last two years of your tax returns.

In many ways, your first meeting with a banker is like a job interview. You must demonstrate confidence in your own abilities and the soundness of your business plan. The banker will want to make sure you have a thorough knowledge of the business you intend to start. If you are tentative about the business plan or have not worked out the details, you probably are not ready to ask for a loan.

The banker will want you to have at least a basic knowledge of finance and accounting. If you cannot tell the difference between a balance sheet and an income statement, you probably should enroll in one of the business-training courses listed in Chapter 2.

The banker will ask you to complete a personal financial form, listing the value of the things you own, including car, home, and bank account. The personal financial statement also lists your debt,

including home mortgages, car loans, and credit-card balances.

Spend some time completing the personal financial statement, making sure to fill in all the blanks. An incomplete or sloppily prepared statement will not increase your banker's comfort level. If you are married you may want to provide a joint statement for you and your spouse, even if only one of you is applying for the business loan.

Understand the information you must provide before you start filling in the numbers. The first page of the financial statement is a personal balance sheet. List your assets on the left side of the form and your liabilities on the right side. The difference between your assets and your liabilities is your personal net worth. That number usually goes on the last line of liabilities (right side of the form). Your assets should be greater than your liabilities. If your liabilities are greater than your assets, your personal net worth will be a negative number.

A personal financial statement can be confusing if you have never completed one before. Many first-time business borrowers make mistakes when completing the form. The most common mistake is not filling in the net-worth line (usually because the loan applicant has neglected to subtract liabilities from assets).

Loan applicants often forget to list credit-card and charge-account balances on their personal financial statements. Don't make that mistake. The banker will learn about your credit-card debts anyway when he or she gets a copy of your credit report.

Understanding your credit history

Your credit history is the single most important factor in determining whether the bank approves your loan request. As part of the loan-application process, the bank will ask you to sign a release, which allows it to obtain a copy of your credit record. That record lists most but not all of your current debts, including home mortgage, credit cards, and auto loans. Your credit report indicates how promptly you pay your bills, whether you have been sued recently for nonpayment, and whether you have filed for bankruptcy in the past seven years. The credit report also indicates how many times you have applied for

loans or credit cards.

Many people do not realize they have a credit score maintained by a large national credit-scoring company known as Fair, Isaac and Company (FICO). Lenders use your FICO score, also known as a Beacon score, to determine whether or not you are good credit risk. FICO and Beacon scores usually range from a low of about 300 to a high of about 850. A high score means that you are a good risk. Most lenders prefer to see a score of at least 700. If your score is below 600, you may have trouble getting a conventional bank loan. You may have to improve your credit record before you can obtain a loan.

Until recently, loan applicants had a hard time getting copies of their credit histories. Now that information is more readily available. FICO has teamed with Equifax, a large national credit bureau, to help people get copies of their credit reports online. For more information, see www.equifax.com or www.myfico. com. Your banker may suggest other ways to obtain your credit report.

If you are aware of blemishes on your credit record, make sure they are removed before you apply for a loan. If you have been sued for nonpayment and have settled the bill, the settlement may not have been adequately communicated to the bureau maintaining your credit record. Be sure to keep copies of all payments you have made to clear up past debts. Keep copies, too, of any claims settlements with your creditors.

Choosing a bank

Minneapolis business owners have a wide choice of commercial lenders. At last count, more than 40 banks and credit unions in the Twin Cities provided business loans.

Shop for a bank as you would for a new car or refrigerator. While most banks offer similar services and products, you must seek out those that best meet your needs. Compare and contrast the cost of business checking accounts, overdraft protection, and merchant credit cards. Consider the bank's proximity to your business, particularly if you expect to make regular cash deposits. If all other things are equal, select a bank that is easily accessible to your business.

It's a good idea to call in advance and set up an appointment with your business banker. If you drop in at the bank without an appointment, you probably will have to come back later to talk with someone who can process your loan request.

Most important, find a bank that will work with you and take the time to understand your business. In some cases you must deal with business-banking representatives who do not have authority to approve or deny loan requests. These representatives usually send loan requests to a central loan center, where an analyst scores the loan application based on the applicant's net worth, credit history, and the potential profitability of the business. For established businesses, the loan-center system provides a quick and efficient method for loan approval. But for start-up businesses and business owners with personal credit problems, loan scoring may not lead to loan approval.

If you are starting a business and applying for your first loan, ask the loan officer whether he or she has the authority to approve your loan. Also ask whether the loan officer is familiar with the community programs listed at the end of this chapter. Many of these programs involve public and community partnerships aimed at helping start-up businesses improve their chances of getting a first loan.

Appendix 4 (Page 29) provides a list of Twin Cities banks working with the *CPED's Business Finance Section* in 2009.

Types of business loans

Twin Cities-area lenders offer two basic types of business financing:

1. Revolving credit lines operate like creditcard accounts. The lender sets a limit on how
much you can borrow. Typically, you borrow
against the credit line when you need cash
and pay off the credit line when you have
surplus cash. That can vary from month to
month. The credit line is usually set up on
an annual basis, and most lenders expect
you to pay off the line fully at least once a
year. While you draw money on the credit
line, you pay interest on the outstanding
balance. Revolving credit lines work well
for businesses with seasonal swings in sales.

Florists are a good example. Their sales usually peak around Valentine's Day and again around Mother's Day. A floral business may need to draw on its credit line to purchase flowers before February 14 and pay down the credit line after February sales have peaked.

2. Term loans operate like home mortgages. You borrow over a multiyear period and start making regular payments, usually the month after you receive the loan. The loan amortizes, which means that each month part of your loan payment covers a portion of the amount you borrowed (the principal), and part of it pays the interest. During the early months of your loan term, most of the amount pays interest. At some point during the loan term the balance shifts so that more of the payment goes for principal and less for interest.

Term loans used to buy small equipment or fund general business operations are usually made for no more than five years. Some loans for building improvements extend as long as 10 years. If you use a term loan to finance the purchase of a commercial building, the lender may calculate the monthly payments as if you were paying the loan over 20 years. Or the lender may balloon the loan at five or 10 years. A balloon means that the lender has the right to request full payment of the remaining balance on a specified date. Usually, the lender will extend the loan after the balloon date upon request—*if* you have made the loan payments on time. But as a borrower, you run the risk that the lender may choose not to extend the loan.

Community resources

While most local businesses are able to use a local bank to meet their borrowing needs, start-up businesses often must boost their borrowing capacity through an arrangement known as credit enhancement. This means that an outside organization or individual helps to support the loan, either through a guarantee or a joint-funding partnership with a private lender.

Public agencies

Minneapolis Community Planning and Economic Development (CPED)

As the development arm of the City of Minneapolis, CPED promotes community and economic development in the city's 81 neighborhoods. CPED's *Business Finance Section* helps small businesses obtain commercial loans, in partnership with local banks. While CPED loans are not targeted at start-up businesses, start-ups can access these loans if they have the capacity to repay. These loan programs are designed to help younger, smaller businesses.

CPED provides more information about its business-loan programs, as well as a listing of other community resources in its *Guide to Loans and Grants for Minneapolis Businesses*. You can get a copy of this guide by contacting CPED (612-673-5072).

U.S. Small Business Administration
This federal agency works through a network of banks and community agencies. SBA no longer provides direct loans to small business owners.

Nonprofits

Metropolitan Consortium of Community Developers (MCCD)

MCCD partners with CPED's Business Finance Section to provide small business loans in Minneapolis. It offers direct loans of up to \$25,000 and works with banks to provide additional financing. MCCD loans are funded through a variety of capital sources, including CPED, the Minneapolis Empowerment Zone, the State of Minnesota Urban Initiative Program, and Wells Fargo Community Development Corporation.

Neighborhood Development Center (NDC)

NDC provides financing in inner-city
neighborhoods in Minneapolis and Saint

Paul to help emerging entrepreneurs develop successful businesses. In general, NDC borrowers must complete NDC's microentrepreneurship training program in order to access loan funds. In Minneapolis, NDC loan programs are targeted at these neighborhoods: Phillips, Whittier, Cedar-Riverside, Seward, Near North, Sumner-Glenwood, Harrison, Willard-Hay, Jordan,

Hawthorne, McKinley, Folwell, Cleveland, Victory, Camden, Shingle Creek, and Lind Bohanon.

NDC also offers a profit-based financing program operated in accordance with Islamic law. This program is available to existing and start-up businesses through buy/sell agreements with deferred payments and royalty investments.

Other nonprofit organizations provide loans for targeted populations or designated neighborhoods:

Metropolitan Economic Development Association (MEDA)

MEDA provides small business loans through the Twin Cities metropolitan area to businesses with at least 51 percent minority ownership.

WomenVenture

This Twin Cities-wide organization helps women to achieve economic success. But it provides small-business loans to businesses owned by women or by men. Several Minneapolis community-development organizations offer small-business loans limited to businesses in their target neighborhoods. These include the *Northside Residents Redevelopment Council, the African Development Center*, and the *Whittier Community Development Corporation*.

Appendix 1 (Page 23) provides contact information for organizations listed in this chapter.



4 A regulatory road map

In earlier times, a small-business owner could put a sign in front of his or her shop, stock the shelves, and wait for customers to walk through the front door. Those times are gone. Today, you must comply with a complex set of federal, state, and local regulations to do business in Minnesota.

Regulation varies significantly with the nature of the business. If you provide goods and services that could affect public health and safety (a day-care center or grocery store, for instance), you must comply with certain licensing and inspection requirements. If you have employees, you must comply with various tax, wage, and health and safety laws. Regardless of the nature of your business, you must attend to local zoning and land-use requirements, even if you operate your business in your own home.

For detailed information on many state and federal business regulations, see *A Guide to Starting a Business in Minnesota* published by the *Minnesota Department of Employment and Economic Development*.

State and federal requirements

Assumed name certificate

If your business name is different from your own name, you must file the business (or assumed) name with the *Minnesota Secretary of State*. Your assumed name depends on the form of your business organization. If your business is a sole proprietorship (Chapter 1, Page 8), you may need to file an assumed name with a "dba" (doing business as) provision. Let's say your

name is John Jones, and you intend to open Jones Neighborhood Grocery. Your assumed name would be "John Jones dba Jones Neighborhood Grocery." (If the name of your store is John Jones Grocery, you are not required to file an assumed name.) The same rule applies if your businesses is organized as a corporation. If your corporate name is Jones Grocery, Inc., and the name of your business is Jones Grocery, Inc., you do not have to file an assumed name. But if your business name is Jones Neighborhood Grocery, you would file an assumed name—"Jones Grocery, Inc., dba Jones Neighborhood Grocery."

If you are a sole proprietor, you may use the assumed name of another sole proprietor. If another sole proprietor already filed "Jones Neighborhood Grocery" as an assumed name, you could also file "Jones Neighborhood Grocery." But if your business is organized as a corporation or a limited liability corporation (LLC), you cannot duplicate a name already on file with the *Minnesota Secretary of State*. In general, your assumed name does not necessarily give you exclusive rights to the name. The filing mainly gives consumers a way to determine who owns a particular business.

Corporate and limited liability company filings

If your business is organized as a corporation or a limited liability company, you must file articles of incorporation with the *Minnesota Secretary of State*. The Secretary of State will provide a simple one-page form that lists the name of the

corporation, its registered address, and the names and addresses of its incorporators.

State licenses

The *Minnesota Department of Employment and Economic Development* maintains a list of more than a hundred types of businesses requiring state licenses. In general these include professional occupations such as architects, doctors, dentists, and certified or licensed public accountants. Licenses are required for certain service businesses such as day-care centers and group homes.

Federal tax and employment requirements

Federal regulations apply to your business when you pay federal taxes and hire employees. Tax regulations depend on the organizational form of your business. If you are a sole proprietor, you must file a Schedule C business-income form with your federal Form 1040. Separate business filing forms are required if you are organized as a corporation or a limited liability company. If you have employees, you must provide withholding, pay Social Security taxes, and comply with federal wage and hour requirements. For more information about federal tax and labor regulations for small businesses, contact the *Internal Revenue Service (IRS)* and the *U.S. Department of Labor*.

City of Minneapolis regulatory processes

When you start a small business, pay attention to city and state regulations early in the process, because it takes time for review and approval of your license and permit applications. Usually it is best to research first the kinds of licenses and permits your business needs and to find out what the regulating agency requires. This helps ensure that you are in compliance with regulations and will avoid delays and expenses related to retooling your business after the fact.

When you visit city regulatory offices, be sure to describe your business in detail and ask a lot of questions. This ensures your finding out about all the permits and licenses required for your business. Remember, it is your responsibility as the business

owner to adhere to all regulations that apply to your venture—even if it is only a part-time business.

Minneapolis Development Review (MDR)

This city initiative is aimed at creating easier ways for members of the public to work with the city government to get permits and regulatory approvals. If you are starting or expanding a business, you can find out about the regulatory requirements by calling Minneapolis 311 and requesting to be connected to a development coordinator, who will help you navigate the city's processes. MDR is located on the third floor of the Public Service Center building at 250 S. Fourth St. Up to two hours of free parking are available for Minneapolis Development Review customers in the lot behind the Public Service Center. Enter on Third Street. Bring your ticket and exchange it for a validated parking token. Unvalidated parking in the Public Service Center lot costs \$15.

Preliminary development review

If you plan to make changes to the exterior of your building, the city will review your proposed changes through the Preliminary Development Review process to ensure that your plans comply with fire, safety, and public works standards. Your development coordinator will provide additional information and guide you through this process.

Food plan review

If you are starting a new food business or buying an existing food business, contact a development coordinator by calling Minneapolis 311. Your development coordinator will guide you through this process.

Zoning

In a densely developed city like Minneapolis, commercial and residential districts often exist in close proximity. To promote good relations among neighbors, the City of Minneapolis has developed a detailed set of land-use requirements, incorporated in its zoning code. Updated in 2000, the code lays out precise rules and regulations governing permitted land uses as well as procedures related to the establishment of

businesses and their movement to new locations. The zoning code also sets out procedures for the rezoning of properties and for obtaining variances and conditional use permits.

Before you sign a lease, find out whether the site or building you plan to use is properly zoned for your business. If the site is not properly zoned, you may not be able to operate your business there.

Grandfathering

You may assume that you can do business within an older building because the most recent tenant was able to operate there. The previous occupant, however, may have been "grandfathered" in, and a change in occupancy or ownership may end the benefits of grandfathering. As a result, the new occupant or owner may be required to make extensive improvements. Don't get caught in this trap! An experienced contractor can help you determine the building and safety requirements that apply to a particular space and the probable costs of compliance.

Site plans and other land-use regulations

The *Minneapolis Zoning Office* requires many newly established or newly licensed businesses to file a site plan, which is intended to promote neighborhood-friendly development. Site plans are diagrams or drawings that show such features as parking-lot entrances and exits, landscaping, and the placement and screening of dumpsters. A key goal of site plans is minimizing conflicts between cars and pedestrians in and around business sites.

Zoning and planning rules also set minimum standards for off-street parking spaces, home-based businesses, waste-disposal areas, and historic preservation. Zoning also establishes requirements for the size, placement, and construction of business signs. Contact the *Minneapolis Zoning Office* (612-673-5836) for further information.

Variances and rezonings

If your business is unable or unwilling to

comply with an ordinance, you can petition the City of Minneapolis for a variance or rezoning to allow you to conduct business. If you're interested in a rezoning or variance, talk to your lawyer. These exceptions are not routinely granted and may entail expensive legal fees, so make sure you need a rezoning or variance before you request one.

Licenses

Restaurants, grocery stores, and convenience stores are three kinds of businesses that require city licenses. You must fill out a license application form, provide documents showing your intention to start your business at your proposed location, and meet with Minneapolis Business Licensing and Environmental Health staff members to go over your business plan, site plan, and floor plan.

If you will be serving food at your business, the City of Minneapolis requires that you or one of your employees enrolls in a training program and obtains a Food Manager Certification. If you intend to serve liquor, you must comply with city liquor-licensing requirements.

You must pay any filing fees at the time you submit the paperwork necessary to obtain a business license. If your license is not approved or is withdrawn, you may be eligible to apply for a refund. To find out whether you need a business license, call the *Minneapolis Licenses and Consumer Services Division* (612-673-2080).

Construction plan review

For anything but the most minor renovation, you're likely to need at least one permit from *Minneapolis Development Review*. You may need separate permits for electrical, plumbing, heating, and ventilating work. Electrical permits are issued by the State of Minnesota. You must submit site and construction plans to Minneapolis Development Review staff members to review for adherence to building and safety codes.

Building-permit fees are based on the value of the work being done, which includes labor and materials. You must pay the permit fees before the permit is officially issued, before construction or remodeling begins. If you cancel your permit, you may apply for a partial refund.

To find out whether you need permits, call Minneapolis 311 or visit the Minneapolis

Development Review website: www.ci.minneapolis. mn.us/mdr. The City of Minneapolis also works to make city services accessible to residents who speak limited English. For assistance, you may contact Minneapolis Multicultural Services (612-673-3737).



Organizations and agencies working with small businesses in Minneapolis

These organizations are cited in various sections of this guide:

African Development Center

1931 S. 5th St. Minneapolis, MN 55454

Phone: 612-333-4772 Fax: 612-746-0470

www.adcminnesota.org

Latino Economic Development Center

1516 E. Lake St. – Suite 201 Minneapolis, MN 55407

Phone: 612-724-5332 Fax: 612-724-5342 www.ledc-mn.org

FastTrac

(see University of St. Thomas Small Business Development Center)

MEDA Business

Development Center

(See Metropolitan Economic Development Association)

Metropolitan Economic Development Association

250 Second Ave. S. – Suite 106 Minneapolis, MN 55401

Phone: 612-332-6332 Fax: 612-317-1002 www.meda.net

City of Minneapolis

Public Service Center 250 S. Fourth St. – Room 300 Minneapolis, MN 55415

Phone: 612-673-3000

www.ci.minneapolis.mn.us/business

Metropolitan Consortium of Community Developers

3137 Chicago Ave. Minneapolis, MN 55407

Phone: 612-789-7337 Fax: 612-822-1489 www.mccdmn.org

Minneapolis Central Library Business and Economic Department

300 Nicollet Mall

Minneapolis, MN 55401 Phone: 952-847-8000 www.hclib.org

Minneapolis SCORE

Counselor's to America's Small Business

Minneapolis District Office Bremer Bank Building 8800 Highway 7 – Suite 103 St. Louis Park, MN 55426

Phone: 952-938-4570 Fax: 952-938-2651 www.scorempls.org

Minnesota Business Planning Center (BPC)

2324 University Ave. W. – Suite 112 Saint Paul, MN 55114

Phone: 651-209-1884

www.sba.gov/localresources/district/mn/MN_BPC.html

Minnesota Department of Employment and Economic Development, Small Business Office and Small Business Development Centers

332 Minnesota St. – Suite E 200 Saint Paul, MN 55101

Phone: 651-296-3871 www.mnsbao.com www.mnsbdc.com

Minnesota Secretary of State, Business Services Public Counter

60 Empire Dr. – Suite 100 Saint Paul, MN 55103

Monday through Friday, 8 A.M. to 4 P.M. www.sos.state.mn.us

NDC Neighborhood Entrepreneurship Training

(see Neighborhood Development Center)

Neighborhood Development Center

663 University Ave. Saint Paul, MN 55104

Phone:651-291-2480 Fax: 651-291-2597 www.ndc-mn.org

Northeast Community Development Corporation

724 Lowry Ave NE Minneapolis, MN 55418

Phone: 612-627-9366 www.necdc.org

Northside Residents Redevelopment Council

1313 Plymouth Ave. N. Minneapolis, MN 55411

Phone: 612-335-5924 Fax: 612-277-1154 www.nrrc.org

Seward Redesign

2323 E. Franklin Ave. Minneapolis, MN 55406

Phone: 612-338-8729 Fax: 612-399-0739

www.sewardredesign.org

University of St. Thomas Small Business Development Center

Schulze Hall 46 S. 11th St.– #103 Minneapolis, MN 55403

Phone: 612-962-4500

www.stthomas.edu/cob/centers/

sbdc

U.S. Department of the Treasury

Internal Revenue Service 250 Marquette Ave. Minneapolis, MN 55401

Phone: 651-312-8082 **www.irs.gov**

U.S. Department of Labor, Wage and Hour Division

Tri-Tech Center 331 Second Ave. S. – Suite 920 Minneapolis, MN 55401

Phone: 1-866-487-9243 **www.dol.gov**

U.S. Small Business Administration Minnesota District Office

Butler Square 100 N. Sixth St.- 610-C Minneapolis, MN 55403

Phone: 612-370-2324 www.sba.gov/mn

Whittier Community Development Corporation

2845 Harriet Ave. S. – Suite 208 Minneapolis, MN 55408

Phone: 612-879-0109 Fax: 612-871-2923 www.webcenter.org

WomenVenture

2324 University Ave. W. – Suite 120 Saint Paul, MN 55114

Phone: 651-646-3808 www.womenventure.org



Business services for non-English speakers

Spanish

Para servicio en español, contactar

Centro de Desarrollo Económico Latino (LEDC)

1516 E. Lake St. – 2nd Piso Minneapolis, MN 55407 Teléfono: 612-724-5334

Hmong

Yoj has lug mob hus rau

Neighborhood Development Center

663 University Ave. Saint Paul, MN 55104 651-291-2480

Somali

Haddii aad rabtid in Af-Soomaali lagugu caawiyo la xiriir ADC

African Development Center

1931 S. 5th St. Minneapolis, MN 55454 612-333-4772



Business-assistance websites

African Development Center www.adcminnesota.org

City of Minneapolis www.ci.minneapolis.mn.us/ business

Metropolitan Economic
Development Association
(MEDA)
www.meda.org

Minneapolis Public Library Business and Economics Department www.mpls.lib.mn.us/business. asp

Metropolitan Consortium of Community Developers www.mccdmn.org Minneapolis SCORE www.scoreminn.org score-mn.org/main/htm

Minnesota

Department of Employment
and Economic Development
www.deed.state.mn.us

Minnesota Small Business
Assistance Office
www.mnsbao.com

Minneosta Small Business Development Centers www.mnsbdc.com

Minnesota Secretary of State www.sos.state.mn.us

Neighborhood Development Center www.ndc-mn.org Northside Residents Redevelopment Council www.nrrc.org

U.S. Department of the Treasury www.ustreas.gov

U.S. Department of Labor www.dol.gov

U.S. Small Business Administration www.sba.gov

University of St. Thomas www.stthomas.edu/cob/centers/ sbdc

WomenVenture www.womenventure.org



CPED business banking partners

Banks Participating in City Programs 2009

Americana Community Bank

495 Black Oaks Ln. Maple Grove, MN 55311 763-494-5600

Anchor Bank

566 Prairie Center Drive Eden Prairie, MN 55344 952-942-7522

Associated Bank-Riverside

1801 Riverside Ave. Minneapolis, MN 55454 612-341-3505

Associated Bank

5353 Wayzata Blvd. Minneapolis, MN 55416 952-591-2865

Bremer Bank

225 South 6th Street Minneapolis, MN 55402 612-782-1960

Central Bank

945 Winnetka Ave. N. Golden Valley, MN 55427 763-512-2280

City-County Federal Credit Union

913 East Franklin Ave. Minneapolis, MN 55404 763-549-6780

Community Bank Plymouth

3455 Plymouth Blvd. Plymouth, MN 55442 763-550-7777

Community Resource National Bank

1501 West County Road C Roseville, MN 55113 651-631-1040

Crown Bank

601 Marquette Ave. S. Minneapolis, MN 55402 612-746- 5050

EastBank

1413 Fourth St. SE Minneapolis, MN 55414 612-378-5494

First Federal Capital Bank

176 Snelling Ave. N. Saint Paul, MN 55104 651-646-8681

First National Bank of the Lakes

3100 Hennepin Ave. S. Minneapolis, MN 55408 612-822-8395 First Minnesota Bank 4625 County Road 101 Minnetonka, MN 55345 952-933-9550

Franklin Bank

2100 Blaisdell Ave. S. Minneapolis, MN 55404 612-874-6000 525 N. Washington Ave. Minneapolis, MN 55401 612-874-6000

Highland Bank

811 LaSalle Ave. Minneapolis, MN 55402 612-338-9001

Mainstreet Bank

2120 Hennepin Avenue Minneapolis, MN 55405 612-767-5600

M & I Bank

5050 France Ave S. Edina, MN 55410 952-836-3000

651 Nicollet Mall Minneapolis, MN 55402 612-904-8000

5775 Wayzata Blvd St. Louis Park, MN 55416 952-544-3100

MidCountry Bank

1320 Frontage Road Hastings, MN 55033 612-480-6031

Northeast Bank

77 Broadway St. NE Minneapolis, MN 55413 612-379-8811

Park Midway Bank

2300 Como Ave. Saint Paul, MN 55108 651-523-7800

People's Bank of Commerce

3316 West 66th St. Edina, MN 55435 952-831-8253

Private Bank Minnesota

222 S. Ninth St. #3800 Minneapolis, MN 55402 612-338-1029

Ridgedale State Bank

1200 Nicollet Mall Minneapolis, MN 55403 612-332-8890

TCF Bank

3330 W. 66th Street Edina, MN 55435 952-929-8048

The Business Bank

11100 Wayzata Blvd. Minnetonka, MN 55305 952-847-1100

US Bank

919 E. Lake Street Minneapolis, MN 55407 612-821-6221

US Bank

101 5th Street East St. Paul, MN 55101 651-466-8330

University National Bank

200 University Ave. W. Saint Paul, MN 55103 651-265-5600

Venture Bank

5601 Green Valley Drive Bloomington, MN 55437 952-830-9999

5500 Wayzata Blvd, Suite 140 Golden Valley, MN 55416 763-398-5822

Wells Fargo Bank

1221 Nicollet Mall Minneapolis, MN 55479-0119 800-869-3557

Wells Fargo Bank

1450 W. Lake Street Minneapolis, MN 55408 800-869-3557

Western Bank

3033 University Ave. SE Minneapolis, MN 55414 651-290-7888

Western Bank

663 University Ave. St. Paul, MN 55104 651-290-8100



Minneapolis Zoning Code—home occupations

ARTICLE VII.

535.440. Purpose. Home occupation regulations are established to ensure that home occupations do not adversely affect the character and livability of the surrounding neighborhood and that a home occupation remains accessory and subordinate to the principal residential use of the dwelling. The regulations recognize that many types of home occupations can be conducted with little or no adverse effect on the surrounding neighborhood.

535.450. Home occupation standards. Home occupations shall be subject to the following standards, except that licensed family day care and licensed group family day care shall be exempt from the provisions of sections (2), (6), (11), (12), (13), and (15):

- (1) The home occupation shall be an activity which is customarily associated with the use of a dwelling.
- (2) Only the residents of the dwelling unit, and not more than one (1) nonresident employee, shall be employed by or engaged in the conduct of the home occupation on the premises. For the purpose of this section, *nonresident employee* shall include an employee, business partner, independent contractor or other person affiliated with the home occupation who is not a resident of the dwelling unit, but who visits the site as part of the home occupation. Not more than one (1) non-resident employee shall be permitted per dwelling unit or two-family dwelling, regardless of the number of home occupations.
- (3) Exterior alterations or modifications that change the residential character or

- appearance of the dwelling, any accessory buildings or the zoning lot shall be prohibited.
- (4) Interior alterations or modifications that eliminate the kitchen, living room, all of the bathrooms, or all of the bedrooms of the dwelling shall be prohibited.
- (5) The home occupation shall be conducted only within an enclosed area of the dwelling. However, beginning in the R4 zoning district, in multiple-family dwellings of five (5) or more units the home occupation may be allowed within a specific area of the principal building designated for such home occupation by conditional use permit, as provided in Chapter 525, Administration and Enforcement. In addition to the conditional use standards, the planning commission shall consider, but not be limited to, the following factors:

- Nature of the home occupation and its impacts of noise, light, odor, vibration and traffic.
- b. Conformance with applicable zoning requirements, including but not limited to, yards, gross floor area, and specific development standards.
- c. History of complaints related to the property.
- (6) Outdoor storage or display of materials, goods, supplies, or equipment related to the conduct of a home occupation shall be prohibited.
- (7) The required off-street parking area provided for the principal use shall not be reduced or made unusable by the home occupation.
- (8) Signage shall be restricted to one nonilluminated, flat wall, identification sign not to exceed one (1) square foot in area. On a corner zoning lot, two (2) such signs, one facing each street, shall be allowed.
- (9) No equipment, machinery or materials other than of a type normally found in or compatible with a dwelling shall be allowed.
- (10) No retail sale and delivery of products or merchandise to the customer or client shall occur on the premises except where accessory to any services provided (such as hair care products sold accessory to hair cutting or computer disks accessory to accounting services).
- (11) No home occupation shall be visible from any public right of way, except for allowed signage.
- (12) The hours open to the public shall be limited to between 8:00 a.m. and 8:00 p.m.

- (13) The home occupation shall not generate excessive customer or client traffic that is detrimental to the residential character of surrounding properties or the neighborhood. For purposes of this provision, more than five (5) customers or clients per day may be determined to be an excessive and detrimental level of traffic. This number shall apply per dwelling unit, regardless of the number of home occupations, except that in the case of two (2) family dwellings, the number shall apply to the two (2) family dwelling. The factors to be used for such a determination shall include but not be limited to:
 - The characteristics of the neighborhood, including land uses, lot sizes and lot widths.
 - b. Street type, width and traffic volumes.
 - c. The availability and location of offstreet parking and the extent to which the home occupation contributes to on-street parking congestion.
- (14) Shipment and delivery of products, merchandise, or supplies shall be limited to between 9:00 a.m. and 6:00 p.m. and shall regularly occur only in single rear axle straight trucks or smaller vehicles normally used to serve residential neighborhoods.
- (15) No sound or noise created by the operation of the home occupation shall be audible beyond the boundaries of the zoning lot.
- (16) Hazardous materials in excess of consumer commodities which are packaged for consumption by individuals for personal care or household use shall be prohibited.

535.460. Prohibited home occupations. Recognizing that there are some uses which have serious objectionable operational characteristics and thereby adversely affect the surrounding neighborhood, the following shall be prohibited as home occupations:

- (1) Motor vehicle repair, service or painting, or any repair or servicing of vehicles or equipment with internal combustion engines (such as snowmobiles, lawnmowers, chain saws and other small engines).
- (2) A barber shop or beauty salon that is designed to serve more than one (1) client at a time.
- (3) The sale, lease, trade or other transfer of firearms or ammunition by a firearms dealer. Firearms dealers existing on or before October 7, 1995, and in all other respects in conformance with the provisions of this

- ordinance, shall be permitted to continue as nonconforming uses in accordance with the provisions of Chapter 531, Nonconforming Uses and Structures.
- (4) Sexually oriented uses, as defined in Chapter 549, Downtown Districts.
- (5) Headquarters or dispatch centers where persons come to the site and are dispatched to other locations.
- (6) Uses first allowed in the C4 General Commercial District or any industrial district.